

COUNTRY Indochina/Hong Kong/Macao  
SUBJECT Democratic Republic of Vietnam  
Purchases through Hong Kong and Macao  
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1. In May 1950 Nguyen Chi Trung (YUAN Chih-chung, 阮志忠) was sent from Indochina to Hong Kong as a liaison officer and purchasing agent. He built up an organization of about thirty persons who discharged certain intelligence tasks but concentrated on the purchase of military stores for what is now known as the Democratic Republic of Vietnam (DRV). However, it became gradually more difficult to carry on these activities in Hong Kong, and the entire organization moved to Macao in April 1951.
2. Their chief source of military supplies was surplus stores of the American Army in Japan, which had been shipped back to dumps in the Philippines. In addition to arms these dumps were said to contain a quantity of explosives and communications equipment. To get the business started, the Chinese Communists released selected Japanese prisoners of war who were sent back to Japan to start arms traffic to the DRV.
3. On 13 June 1950 the Hong Kong organization effected its first large transaction by acquiring 14,000 carbines, with 500 rounds of ammunition per carbine, at a cost of HK \$300 per gun. The partner (sic) in this deal was an American businessman in the Philippines, called Liu-meng-la-shih1. The consignment was smuggled from the Philippines in a landing craft which anchored in international waters and discharged into small boats which carried the cargo to a steamer at La An hill<sup>2</sup>, Hong Kong, from where it was carried to a port in Kwangtung Province.
4. Between January and March 1951 Nguyen's group, using a fictitious commercial firm as a cover, bought large quantities of medical and communications supplies, and some gasoline. They also obtained some rubber from Singapore for transshipment to Communist China. After their removal to Macao the group had some success in obtaining metals.
- b. Various routes have been used for transporting goods to the DRV. Some cargoes were shipped legally from Hong Kong to Thailand and thence by Panamanian ships to Indochina. Others went illegally by direct motorboat to Haiphong. A small

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part went by road through Kwantung Province via Ch'inhien (106-37, 21-58) and Tunghsing (107-38, 21-33) to Kiangchien (mon Cay), but this traffic was slight because the road is of recent construction. In June 1951 the bulk of the material for the LVR was being sent from Macao to Haik'ou (110-20, 20-03) and thence by motorboat to Yulin, where it is delivered to steamers of unknown registry which come, two or three at a time, and anchor outside Yulin Harbor. Arms and ammunition constitute the greater part of these cargoes, with small quantities of rice and cereals.

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1. [REDACTED] Comment. This name was received Au-men-la-sze, but with Chinese characters which are romanized as above. The individual could not be identified from available records.

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2. [REDACTED] Comment. The anchorage would be in Tolo Harbor. Ma An Hill is in the New Territories at approximately 114-13, 22-25.

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